

Media Relations OfficeWashington, D.C.Media Contact: 202.622.4000www.IRS.gov/newsroomPublic Contact: 800.829.1040

IRS Seeks to Return \$123.5 Million in Undeliverable Refunds to Taxpayers IRS Reminds Taxpayers to Use E-file and Direct Deposit

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WASHINGTON — The Internal Revenue Service is looking for taxpayers who are due to receive a combined \$123.5 million in the form of 107,831 refund checks that were returned to the IRS by the U.S. Postal Service due to mailing address errors.

"We are eager to get this money into the hands of taxpayers, so don't delay if you think you are missing a refund," said IRS Commissioner Doug Shulman. "The sooner you update your address information, the quicker you can get your refund."

All a taxpayer has to do is update his or her address once. The IRS will then send out all checks due. Undeliverable refund checks average \$1,148 this year, compared to \$990 last year. Some taxpayers are due more than one check.

Average undeliverable refunds rose by 16 percent this year, which is in line with the 16 percent rise in average refunds for all tax returns in the latest filing season. Several changes in tax law likely played a role in boosting refunds, including the First-Time Homebuyer's Credit and the Recovery Rebate Credit, among others.

The vast majority of checks mailed out by the IRS each year reach their rightful owner. Only a very small percent are returned by the U.S. Postal Service as undeliverable.

If a refund check is returned to the IRS as undeliverable, taxpayers can generally update their addresses with the "Where's My Refund?" tool on IRS.gov. The tool enables taxpayers to check the status of their refunds. A taxpayer must submit his or her social security number, filing status and amount of refund shown on their 2008 return. The tool will provide the status of their refund and in some cases provide instructions on how to resolve delivery problems.

Taxpayers checking on a refund over the phone will be given instructions on how to update their addresses. Taxpayers can access a telephone version of "Where's My Refund?" by calling 1-800-829-1954.

The IRS encourages taxpayers to choose direct deposit when they file their returns because it puts an end to lost, stolen or undeliverable checks. Taxpayers can receive

refunds directly into personal checking or savings accounts. Direct deposit is available for filers of both paper and electronic returns.

The IRS also encourages taxpayers to file their tax returns electronically because e-file eliminates the risk of lost paper returns. E-file also reduces errors on tax returns and speeds up refunds.

E-file coupled with direct deposit is your best option; it's easy, fast and safe.